GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Cash & Debt Management – Non-Competitive Bidding through Aggregators-Inclusion of SDLs – Amendment to General notification No.132 (10) W&M/2007 dated: 20.07.2007 - Issued.

FINANCE (C&DM) DEPARTMENT

G.O.RT.No. 132 Dated: 20-01-2020

Read the following:-

1. Notification No.132 (10) W&M/2007 Finance Department dated: 20.07.2007.
2. G.O.Rt.No.949, Finance (C&DM) Department, dt:30.04.219
3. Letter No.IDMD.No.3697/08/10.18.056/2018-19 dated: 20.06.2019 from the General Manager, Reserve Bank of India.

Order:

In the reference third read above, the Reserve Bank of India has informed that as per the minutes of the 31st Conference of State Finance Secretaries and the Monetary policy announced by the Reserve Bank of on June 6th, 2019 indicated that the specified Stock Exchanges will be permitted to act as Aggregators/Facilitators to aggregate the bids of their stockbrokers/other retail participants and submit a single consolidated bid under the noncompetitive segment of the primary auctions of State Development Loans (SDLs).

To implement Non-Competitive Bidding through Aggregators-Inclusion of SDLs, it is requested to issue the following amendment to para 6.1(vi) of state SDL general notification:

Existing provision (para 6.1(vi))	Amendment required to be made
Individuals and Institutions as specified by the Reserve Bank of India (Called "Retail Investor"), as per the Scheme on "Non-Competitive Bidding Facility in the auction of State Government Securities (See Annexure-II) can participate in the auctions on "non-competitive" basis, indirectly through a Scheduled Bank or a Primary dealer offering such services or any other agency permitted by Reserve Bank of India for this purpose. Eligibility criteria for participation on non-competitive basis and the manner in which such bids should be submitted is given in the Scheme and can be modified by the Reserve Bank of India, in consultation with the State Governments. Allocation of the Securities to non-competitive bidders will be at the discretion of the Reserve Bank of India an will be at a price not higher than the weighted average price arrived at on the basis of the competitive bids accepted at the auction or any other price announced in the specific Notification. 10 per cent of the Notified Amount (Face Value) will be allocated to the retail investors on non-competitive basis and an investor is allowed to make a single bid of not more than 1 per cent of the notified amount (Face Value). The Scheme is subject to review by the Reserve Bank of India and accordingly, if and when considered necessary, the scheme will be modified in consultation with State Governments.	Individuals and Institutions, (called "Retail Investors) as may be specified by the Reserve Bank of India, can participate in the auctions on "Non-Competitive basis, indirectly through an Aggregator/Facilitator (Scheduled Bank or Primary Dealer or Specified Stock Exchange or any other agencies specified by RBI) as per the Scheme of Non-competitive Bidding Facility announced by the RBI, in consultation with the State Government.

3. Government, after careful examination, here by issue the following amendment to para 6.1(vi) of state SDL:

Existing provision (para 6.1(vi)) of the Notification No.132(10)W&M/2007	Amendment to para 6.1(vi) of the Notification No.132(10)W&M/2007
Individuals and Institutions as specified by the Reserve Bank of India (Called "Retail Investor"), as per the Scheme on "Non-Competitive Bidding Facility in the auction of State Government Securities (See Annexure-II) can participate in the auctions on "non-competitive" basis, indirectly through a Scheduled Bank or a Primary dealer offering such services or any other agency permitted by Reserve Bank of India for this purpose. Eligibility criteria for participation on non-competitive basis and the manner in which such bids should be submitted is given in the Scheme and can be modified by the Reserve Bank of India, in consultation with the State Governments. Allocation of the Securities to non-competitive bidders will be at the discretion of the Reserve Bank of India and will be at a price not higher than the weighted average price arrived at on the basis of the competitive bids accepted at the auction or any other price announced in the specific Notification. 10 per cent of the Notified Amount (Face Value) will be allocated to the retail investors on non-competitive basis and an investor is allowed to make a single bid of not more than 1 per cent of the notified amount (Face Value). The Scheme is subject to review by the Reserve Bank of India and accordingly, if and when considered necessary, the scheme will be modified in consultation with State Governments.	Individuals and Institutions, (called "Retail Investors) as may be specified by the Reserve Bank of India, can participate in the auctions on "Non-Competitive basis, indirectly through an Aggregator/Facilitator (Scheduled Bank or Primary Dealer or Specified Stock Exchange or any other agencies specified by RBI) as per the Scheme of Non-competitive Bidding Facility announced by the RBI, in consultation with the State Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K.V.V.SATYANARAYANA
SPECIAL SECRETARY TO GOVERNMENT (B&IF)

To
The General Manager,
IDMD, Reserve Bank of India,
Central Office,
Central Office Building,
23rd Floor, Shahid Bhagat Singh Margh,
Mumbai-400 001.